

For Information Only

CUT THROUGH CLAUSE

It is hereby noted and agreed that the sum insured under policy n° [enter policy number] issued by the [enter name of ceding co.] is issued in [enter currency A] and in [enter currency B]. The [currency A] portion is specifically reinsured by the [enter name of reinsurance co.] (The reinsurers).

Premium for the portion reinsured with the Reinsurers shall be remitted to reinsurers by way of [broker's name] who shall pay the same proportion of any claim agreed for settlement to insured in [Currency A].

It is agreed that such direct payment of premium and claim in the agreed proportion shall be adequate evidence of full discharge from further liability of the insureds, Reinsurers and Reinsured for such premium and claim.

Subject to the application of claims control clause stated above, the Reinsured shall have the full authority and overall responsibility to the Reinsurer(s) for undertaking survey, claim adjustment and any other necessary procedure for claim settlement thereof, it being understood that any survey and other settling fees shall be borne by the Reinsured and Reinsurer in proportion to their respective interests

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It is understood and agreed that in the event of failure of the reassured to pay a recoverable claim under their policy for account of original assured then such original assured (subject to the provisions of the Loss Payee Clause in the original policy) shall be entitled to recover claims directly from reinsurers through their brokers only for the proportion subscribed by reinsurers subject to the reinsurance policy terms and conditions and subject to all premiums due as of the date of loss being fully paid and so same claim amount having been paid and/or agreement reached to pay by reinsuring underwriters to the reassured.

All claims that have been paid by the reinsuring underwriters to the reinsurance broker and/or the reassured (s) shall be deemed to have been paid to the assured.

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The Reinsurers and the Reinsured hereby agree that if the Reinsured shall at any time become insolvent or are otherwise prevented from meeting their obligations and if written notice is given to the Reinsurers of such insolvency or liability to meet obligations the Reinsurers shall pay to the Original Insured or the mortgagee as stipulated in the Loss Payable or Mortgagee Clause attached to the original policy that portion of any loss due to the Original Insured (or the mortgagee as the case may be) from the Reinsured which represents the liability of the Reinsurers to the Reinsured under the terms of the Policy, less the premium, if any, due to the Reinsurers, it being agreed that such payment by Reinsurers to the said Original Insured (or the mortgagee as the case may be) or any payment made by Reinsurers to the Reinsured shall fully discharge and release the Reinsured and Reinsurers from any and all liability in connection with such loss.